

HCS HB 884 -- COUNTY HOSPITAL INVESTMENTS

SPONSOR: Rowden

COMMITTEE ACTION: Voted "Do Pass by the Standing Committee on Emerging Issues by a vote of 9 to 2. Voted "Do Pass with HCS" by the Select Committee on General Laws by a vote of 9 to 0.

This bill allows the board of trustees of any county hospital to invest up to 15% of the hospital's funds not required for immediate disbursement in obligations or for the operations of the hospital into any mutual fund.

These provisions must only apply if the hospital is located in Boone County and receives less than 1% of its annual revenues from county or state taxes.

PROPOSERS: Supporters say that the bill will allow Boone Hospital Center the freedom to use reserve funds, which are less than 1% of public moneys, to diversify investments and seek greater yield from corporate bonds or stock dividends in the current extremely low interest rate environment. Short term government bonds provide little or no yield, but are currently mandated by statute. The use of reserve funds not needed for annual expenses to invest in these other asset classes is capped at 15% of reserve funds.

Testifying for the bill were Representative Rowden; Boone Hospital Center Board Of Trustees; David Stepanek, Central Trust & Investment Co; and BJC Health Care Systems.

OPPOSERS: There was no opposition voiced to the committee.